

RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF NAVAJO, ARIZONA

November 30, 1982

No. 82-~~229~~1

WHEREAS, at a meeting held on April 21, 1981, the Board of Supervisors of the County of Navajo, Arizona (the "County") received and duly considered the proceedings of the Navajo County, Arizona Pollution Control Corporation (the "Authority"), including a resolution adopted by the Authority at a duly convened meeting of the Authority on such date (the "Authority Resolution") in connection with its issuance from time to time of revenue bonds in an aggregate face amount less discount (if issued on a discount basis) and/or principal amount (if issued on an interest-bearing basis) not to exceed \$55,200,000 at any one time outstanding (the "Bonds") in the form of (i) short-term promissory notes, designated "Pollution Control Revenue Bonds, Commercial Paper Series A (Arizona Public Service Company Project)" and (ii) promissory notes, designated "Pollution Control Revenue Bonds, Revolving Credit Series A (Arizona Public Service Company Project)" and the loan of the proceeds thereof to Arizona Public Service Company, an Arizona corporation ("the Utility"), (i) to pay and discharge the promissory note (the "Cholla Note") executed and delivered to the Authority by Cholla 4 Construction Company, Inc., an Arizona corporation ("Cholla 4"),

evidencing its borrowing from the Authority under that certain Term Loan Agreement, dated as of July 25, 1977 (the "Authority Loan Agreement"), between the Authority and Cholla 4, which promissory note and the obligations of Cholla 4 to the Authority under the Authority Loan Agreement were assumed by the Utility with the consent of the Authority, and (ii) to finance and refinance the costs of completing the acquisition and construction of pollution control facilities (the "Facilities") at Unit 4 of the Cholla Plant of the Utility; and

WHEREAS, said proceedings and Authority Resolution included (i) a Credit Agreement (the "Credit Agreement") by and among the Authority, Continental Illinois National Bank and Trust Company of Chicago ("Continental"), Chemical Bank ("Chemical" and together with Continental, the "Banks") and Continental, as agent for the Banks (in such capacity, the "Agent") which Credit Agreement was approved and authorized to be executed by the Authority pursuant to the Authority Resolution, (ii) a Consent to Assumption (the "Consent to Assumption") by the Authority, which Consent to Assumption was approved and authorized to be executed by the Authority pursuant to the Authority Resolution, (iii) a Term Loan Agreement (the "Term Loan Agreement") by and between the Authority and Utility, which Term Loan Agreement was approved and authorized to be executed by the Authority pursuant to

the Authority Resolution, (iv) an Assignment and Security Agreement from the Authority to the Agent (the "Authority Assignment"), which Authority Assignment was approved and authorized to be executed by the Authority pursuant to the Authority Resolution, (v) a Depositary Agreement (the "Depositary Agreement") between the Authority and Bankers Trust Company, and to which the Banks, the Agent, the Utility and the Placement Agent (as hereinafter defined) have joined as consenting parties, which Depositary Agreement was approved and authorized to be executed by the Authority pursuant to the Authority Resolution, (vi) an Agency Agreement (the "Agency Agreement") among the Authority, the Utility and Continental (in its capacity as selling agent on behalf of the Authority pursuant to the Agency Agreement, the "Placement Agent"), which Agency Agreement was approved and authorized to be executed by the Authority pursuant to the Authority Resolution, (vii) a Termination Agreement (the "Termination Agreement") among the Authority, the commercial banking institutions named on the signature pages thereof and Continental, as agent for such commercial banking institutions, which Termination Agreement was approved and authorized to be executed by the Authority pursuant to the Authority Resolution, (viii) an Offering Memorandum (the "Offering Memorandum"), which Offering Memorandum was approved and, together with such amendments and supplements thereto as may

from time to time be determined to be necessary or appropriate, authorized to be executed by the Authority pursuant to the Authority Resolution, (ix) a No-Arbitrage Certificate of the Authority (the "No-Arbitrage Certificate"), which No-Arbitrage Certificate was approved and authorized to be executed by the Authority pursuant to the Authority Resolution, and (x) all other documents and instruments required in connection with the issuance and delivery of the Bonds, which documents and instruments were authorized to be executed by the Authority pursuant to the Authority Resolution; and

WHEREAS, the Authority Resolution authorized the issuance and delivery from time to time of the Bonds, the proceeds of which have been loaned to the Utility pursuant to the Term Loan Agreement (i) to pay and discharge the Cholla Note, and (ii) to finance and refinance the cost of completing the acquisition and construction of the Facilities; and

WHEREAS, the Board of Supervisors of the County by resolution adopted on April 21, 1981, (the "Original County Resolution") approved the proceedings of the Authority relating to the issuance and delivery from time to time of the Bonds, and the issuance from time to time by the Authority of the Bonds, as required by the provisions of Title 9, Chapter 12, Arizona Revised Statutes, as amended (the "Act") for the issuance of the Bonds; and

WHEREAS, at a meeting held on November 30, 1982, the Authority adopted a resolution approving certain amendments to the Credit Agreement and the Agency Agreement and the execution and delivery of an Amended and Restated Offering Memorandum; and

WHEREAS, in order to meet the requirements of Section 215(a) of the Tax Equity and Fiscal Responsibility Act of 1982, P.L. 97-248 adding new subsection (k) to Section 103 of the Internal Revenue Code of 1954, as amended, the Board of Supervisors of the County has held a public hearing with respect to issuance and delivery from time to time of the Bonds; and

WHEREAS, the County determined at the time of the Original County Resolution that the issuance and delivery of the Bonds were in furtherance of the public purposes set forth in the Act, and the proceedings of the Authority, including the Authority Resolution, were in conformity with the provisions of the Act and continues in such determination; and


WHEREAS, the Bonds do not constitute an indebtedness or obligation to which the faith and credit of the County are pledged and the County is in no way liable for the payment of the Bonds;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of Navajo County, Arizona:

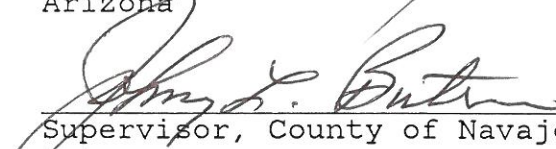
That the Original County Resolution be, and is hereby,
in all respects affirmed;

That the plan of financing of the Facilities pursuant
to which the Bonds will be issued from time to time is
hereby approved; and

That the proceedings of the Authority on November 30,
1982 approving certain amendments to the Credit Agreement
and the Agency Agreement and the execution and delivery of
an Amended and Restated Offering Memorandum are hereby
approved.



Supervisor, County of Navajo,
Arizona

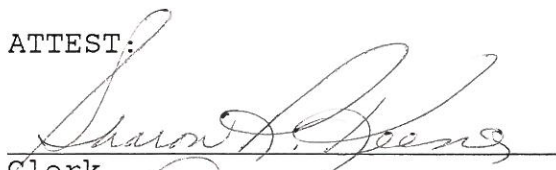


Supervisor, County of Navajo,
Arizona



Supervisor, County of Navajo, Arizona

ATTEST:



Clerk

Date: Nov 30, 1982